

SEC



13030056

MISSION

OMB APPROVAL

OMB Number: 3235-0123  
Expires: April 30, 2013  
Estimated average burden  
Hours per response . . . 12.00

SEC  
Mail Processing  
Section

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER

8 - 41974

MAR 01 2013

Washington DC  
401

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

McFARLAND DEWEY SECURITIES CO., LLC

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

420 LEXINGTON AVENUE, SUITE 300

(No. And Street)

NEW YORK,  
(City)

NY  
(State)

10170-2699  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

ALAN ROBERTS McFARLAND

(212) 867-4949

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report \*

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

(Name - if individual state last, first, middle name)

5 West 37<sup>th</sup> Street, 4<sup>th</sup> Floor  
(Address)

NEW YORK  
(City)

NY  
(State)

10018  
(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of it possessions.

PUBLIC

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as basis for the exemption. See section 240.17a-5(e)

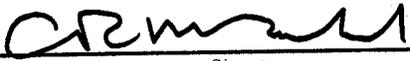
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

EM  
3/11/13

OATH OR AFFIRMATION

I, ALAN ROBERTS McFARLAND, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of McFARLAND DEWEY SECURITIES CO., LLC, as of DECEMBER 31, 2012, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

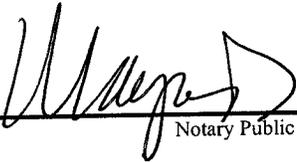


Signature

MAYRA MENDOZA  
Notary Public, State of New York  
No. 01ME5071753  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires January 21, 2015

Managing Member

Title

  
Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows..
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation or Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

McFARLAND DEWEY SECURITIES CO., LLC  
(F/K/A MCFARLAND DEWEY SECURITIES, L.P.)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2012

**FULVIO & ASSOCIATES, L.L.P.**

---

*Certified Public Accountants*

McFARLAND DEWEY SECURITIES CO., LLC  
(F/K/A MCFARLAND DEWEY SECURITIES, L.P.)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2012

**PUBLIC**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
McFarland Dewey Securities Co., LLC:

### ***Report on the Financial Statement***

We have audited the accompanying statement of financial condition of McFarland Dewey Securities Co., LLC (the "Company") (F/K/A McFarland Dewey Securities, L.P.) as of December 31, 2012 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether this financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in this financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of this financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of this financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of this financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of McFarland Dewey Securities Co., LLC as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

*Fulwider & Associates LLP*

New York, New York  
February 25, 2013

MCFARLAND DEWEY SECURITIES CO., LLC  
(F/K/A MCFARLAND DEWEY SECURITIES, L.P.)  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2012

ASSETS

Cash	\$ 14,199
Security Deposit	7,780
Accounts Receivable	<u>7,394</u>
TOTAL ASSETS	<u>\$ 29,373</u>

LIABILITIES AND PARTNERS' CAPITAL

Liabilities:

Accounts Payable	\$ <u>5,900</u>
Total Liabilities	<u>5,900</u>
Partners' Capital	<u>23,473</u>
Total Partners' Capital	<u>23,473</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL	<u>\$ 29,373</u>

The accompanying notes are an integral part of this financial statement.

MCFARLAND DEWEY SECURITIES CO., LLC  
(F/K/A McFARLAND DEWEY SECURITIES, L.P.)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012

NOTE 1. ORGANIZATION AND OPERATIONS

McFarland Dewey Securities Co., LLC (the "Company") (F/K/A McFarland Dewey Securities, L.P.) was organized in the State of Delaware on July 1, 1989 as a limited partnership. The Company changed its name in 2012. The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). As a non-clearing broker-dealer, the Company is exempt from the provisions of Rule 15c3-3, as all customers accounts, as defined, are carried by the clearing broker.

The Company is principally engaged as an investment advisor in the private placement of securities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results may differ from those estimates.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures (formerly FASB Statement 157, Fair Value Measurements) bears no material effect on the financial statements as presented.

Revenue Recognition

The Company recognizes advisory and consulting fees on an accrual basis with the fee stipulated in the contract. Advisory and consulting fees are recognized ratably over the contract period.

Private placement and investment banking fees, if any, are recorded on a contractual basis as stipulated in the contract. Revenue is recognized when the client's financing is consummated, which is usually when the proceeds are received.

Fair Value Measurement

FASB ASC 820, *Fair Value Measurement* has no material effect on these financial statements.

MCFARLAND DEWEY SECURITIES CO., LLC  
(F/K/A McFARLAND DEWEY SECURITIES, L.P.)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

No provision for federal and state income taxes has been made for the Company, as it is a limited liability company and is not subject to income taxes. The Company's income or loss is reportable by their members on its tax returns.

The Company recognizes and measures its unrecognized tax benefits in accordance with ASC Topic 740, *Income Taxes*. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of the period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

The Company has determined that there are no uncertain tax positions which require adjustment or disclosure on the financial statements. The tax years that remain subject to examination by taxing authorities are 2011, 2010, and 2009.

NOTE 3. NET CAPITAL REQUIREMENT

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 8 to 1 in the first year and then 15 to 1 thereafter (and the rule of the 'applicable' exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2012, the Company had net capital of \$7,837, which was \$2,837 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.75 to 1.

NOTE 4. SIGNIFICANT GROUP CONCENTRATION OF RISK

The Company maintains cash with major financial institutions. Cash is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 at each institution. At times, such amounts may exceed the FDIC limits. None did as of December 31, 2012.

MCFARLAND DEWEY SECURITIES CO., LLC  
(F/K/A MCFARLAND DEWEY SECURITIES, L.P.)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 4. SIGNIFICANT GROUP CONCENTRATION OF RISK (continued)

In the course of its business, the Company might enter into financial transactions where the risk of potential loss due to changes in the market (market risk) or failures of the other parties to the transaction to perform (counterparty risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to the market and any counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures if ever required. In addition, the Company has a policy of reviewing any customers and/or other counterparties with which it conducts business.

As of December 31, 2012, there were no customer accounts, therefore none had any debit balances which presented any risks nor was there any exposure with any other transaction conducted with any other broker.

NOTE 5. RELATED PARTY TRANSACTIONS

The General Partner incurs various general and administrative expenses, such as occupancy and certain employee benefit costs, on behalf of the Company that are allocated to the Company.

NOTE 6 - COMMITMENTS AND CONTINGENT LIABILITIES

The Company had no lease or equipment rental commitments, no underwriting commitments, no contingent liabilities, and had not been named as defendant in any lawsuit at December 31, 2012 or during the year then ended.

NOTE 7 - GUARANTEES

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying value (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability, or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others.

MCFARLAND DEWEY SECURITIES CO., LLC  
(F/K/A MCFARLAND DEWEY SECURITIES, L.P.)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 7 - GUARANTEES (continued)

The Company has issued no guarantees effective at December 31, 2012 or during the year then ended.

NOTE 6. SUBSEQUENT EVENTS

The Company withdrew as a member of FINRA and the SEC as of January 31, 2013 and is no longer conducting business as a broker dealer. No other events were identified that require disclosure.